



JOHN NAIMO
ACTING AUDITOR-CONTROLLER


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REVISED

October 10, 2014

TO: Supervisor Don Knabe, Chairman
Supervisor Gloria Molina
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Michael D. Antonovich

FROM: John Naimo 
Acting Auditor-Controller

SUBJECT: **COMMUNITY AND SENIOR SERVICES – FISCAL MONITORING OF
AREA AGENCY ON AGING PROGRAM SERVICES FOR FISCAL YEAR
2012-13**

Community and Senior Services (CSS) contracts with cities and community based non-profit organizations (service providers) to provide Area Agency on Aging (AAA) program services. AAA program services include meals, legal assistance, health insurance counseling, housekeeping, and personal care for older and functionally impaired adults.

CSS' AAA contracts are either fee-for-service agreements under which providers are paid a set fee for each unit of service provided, or cost-reimbursement agreements, which reimburse contractors for actual expenses. At the request of CSS, we contracted with two Certified Public Accounting firms, Moss, Levy & Hartzheim LLP, and Simpson and Simpson, CPAs (monitors), to conduct fiscal monitoring of the 43 service providers that had contracts with CSS during Fiscal Year 2012-13. CSS awarded approximately \$19.4 million to the AAA service providers during the year.

Review Summary

As indicated on the attached schedule, the monitors identified questioned costs for 16 service providers totaling \$30,032. The questioned costs were related to inaccurate reporting to CSS, and inadequate supporting documentation for certain expenditures or how the allocation of expenditures was determined. In addition, the audit disclosed that one service provider did not bill for all services, which resulted in a \$210 underbilling.

Review of Report

The monitors provided and discussed each report with CSS and each service provider. Of the 16 service providers with questioned costs, CSS indicated that they have collected \$4,590 from five providers, and they are in the process of collecting \$8,815 from nine providers. For the remaining two providers, CSS came to a settlement agreement covering their \$16,627 in questioned costs. CSS also resolved the \$210 underbilling with one provider.

Due to the number of service providers, copies of individual reports are not enclosed, but are available for your review. Please call me if you have any questions, or have your staff call Robert Smythe at (213) 253-0101 if you wish to review any reports.

JN:AB:RS:MP

Attachment

c: William T Fujioka, Chief Executive Officer
Cynthia D. Banks, Director, Community and Senior Services
Public Information Office
Audit Committee

**Community and Senior Services
Fiscal Monitoring of Area Agency on Aging Service Providers
Fiscal Year 2012-13**

	Service Provider	Contract Amount ⁽¹⁾	Questioned Costs	(Underbilling)	
1	City of Alhambra	\$58,511			
2	Altamed, Inc.	\$157,552	\$183		(2)
3	Alzheimer's Association	\$95,521	\$1,803		(2)
4	Antelope Valley Committee on Aging, Corporation	\$720,000	\$6,318		(2)(3)
5	Armenian Relief Society, Inc.	\$58,511			
6	Avalon Medical Development Corporation	\$50,000			
7	City of Azusa	\$101,102			
8	Behavioral Health Services, Inc.	\$202,709			
9	Bet Tzedek Legal Services	\$382,317			
10	City of Burbank	\$339,239			
11	Center for Health Care Rights	\$980,376			
12	Chinatown Service Center	\$526,372			
13	City of Claremont	\$94,160	\$366		(2)
14	Consulting Nutritional Services	\$395,105	\$147		(2)
15	Culver City	\$182,182		(\$210)	(4)
16	City of El Monte	\$166,870	\$28		(2)

**Community and Senior Services
Fiscal Monitoring of Area Agency on Aging Service Providers
Fiscal Year 2012-13**

	Service Provider	Contract Amount ⁽¹⁾	Questioned Costs	(Underbilling)	
17	Food and Nutrition Management Services, Inc.	\$502,029			
18	City of Gardena	\$340,911			
19	City of Glendale	\$225,563			
20	Grandparents as Parents	\$128,688			
21	Heritage Clinic and the Community Assistance Program for Seniors	\$58,511			
22	Human Services Association	\$2,358,618	\$598		(2)
23	City of Inglewood	\$660,553	\$48		(2)
24	Jewish Family Services of Los Angeles	\$449,038	\$1,859		(2)
25	Just Rite Community Programs, Inc.	\$265,412	\$16,512		(4)
26	Little Tokyo Service Center Community Development Corporation	\$30,000			
27	City of Norwalk	\$61,130			
28	Office of Samoan Affairs	\$58,511	\$225		(2)
29	Oldtimers Foundation, Inc.	\$2,005,321			
30	City of Pomona	\$151,030			
31	City of San Fernando	\$84,877	\$353		(2)
32	Santa Anita Family Services	\$976,031			

**Community and Senior Services
Fiscal Monitoring of Area Agency on Aging Service Providers
Fiscal Year 2012-13**

	Service Provider	Contract Amount ⁽¹⁾	Questioned Costs	(Underbilling)	
33	Santa Clarita Valley Committee on Aging, Corporation	\$864,596	\$163		(2)
34	Senior Care Action Network Health Plan	\$313,103			
35	City of South El Monte	\$161,970	\$200		(2)
36	Southeast Area Social Services Funding Authority	\$829,253			
37	Special Services for Groups, Inc.	\$388,231			
38	University of Southern California	\$230,705			
39	Watts Labor Community Action Committee	\$50,000			
40	City of West Covina	\$166,896			
41	Wise & Healthy Aging	\$891,760	\$1,114		(2)
42	YMCA of Metropolitan Los Angeles	\$192,376			
43	YWCA of San Gabriel Valley	\$2,436,739	\$115		(4)
TOTAL		<u>\$19,392,379</u>	<u>\$30,032</u>	<u>(\$210)</u>	

Footnotes

- (1) These amounts represent total funding awarded to the service provider.
- (2) Program expenditures of units billed were not supported with documentation.
- (3) There was no documentation to support how the allocation of expenditures was determined.
- (4) Program expenditures or revenues recorded on the service provider's accounting records did not match the amount that was invoiced to Community and Senior Services.